

## The Perception of Financial Statement Users in Indonesia Towards Internet Financial Reporting (IFR)

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**Abstract:** *This study seeks to explore the perception of financial statement users regarding Internet Financial Reporting (IFR) practices in Indonesia. Based on 200 questionnaires distributed to financial statement users that are familiar with the internet, only 156 questionnaires that can be further analyzed using Kruskal-Wallis and Mann-Whitney test. The result showed that financial statement users in Indonesia found that the financial information provided on the company website is quite accurate, relevant, and relatively easy to obtain, but the information provided was difficult to be processed. As for financial information in external party website, financial statement users assess that external party website more readily available than the financial information contained in the company' website. Also, financial statement users also perceive that the usefulness of IFR still lacks, especially on the adequacy of information, so that financial statement users are still relying on other sources of information for decision making. As for ease of use IFR, financial statement users have different perceptions, in which the perceptions of differences caused by differences in the characteristics of respondents regarding work experience, education level, educational background, and frequency of use of the internet to search for financial information.*

**Keywords:** *Internet financial reporting, Perception, Financial Statement Users, XBRL*

**Abstrak:** *Penelitian ini berusaha untuk mengeksplorasi persepsi pengguna laporan keuangan mengenai praktik Pelaporan Keuangan Internet (IFR) di Indonesia. Berdasarkan 200 kuesioner yang didistribusikan ke pengguna laporan keuangan yang akrab dengan internet, hanya 156 kuesioner yang dapat dianalisis lebih lanjut menggunakan Kruskal-Wallis dan tes Mann-Whitney. Hasil penelitian menunjukkan bahwa pengguna laporan keuangan di Indonesia menemukan bahwa informasi keuangan yang disediakan di situs web perusahaan cukup akurat, relevan, dan relatif mudah diperoleh, tetapi informasi yang diberikan sulit untuk diproses. Adapun informasi keuangan di situs web pihak eksternal, pengguna laporan keuangan menilai bahwa situs web pihak eksternal lebih mudah tersedia daripada informasi keuangan yang terdapat di situs web perusahaan. Selain itu, pengguna laporan keuangan juga merasakan bahwa kegunaan IFR masih kurang, terutama pada kecukupan informasi, sehingga pengguna laporan keuangan masih mengandalkan sumber informasi lain untuk pengambilan keputusan. Adapun kemudahan penggunaan IFR, pengguna*

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*laporan keuangan memiliki persepsi yang berbeda, di mana persepsi perbedaan disebabkan oleh perbedaan karakteristik responden mengenai pengalaman kerja, tingkat pendidikan, latar belakang pendidikan, dan frekuensi penggunaan internet untuk mencari informasi keuangan.*

**Kata Kunci:** *Pelaporan keuangan internet, Persepsi, Pengguna Laporan Keuangan, XBRL*

## 1. Introduction

The rapid development of the internet has significantly influenced the way in implementing the company's business activity and accounting communication practices (Rosmaini et al., 2009). Nowadays, the internet has become tools for a company to a media of communication with investors and as a media to deliver financial information quickly. According to various research, the total of companies that are using the internet as a media to deliver the financial information has been up to 60% until 70%, and this percentage will always increase as the time goes by (Arumugam et al., 2005). In the future, the internet using as a media to deliver the financial information is expected to entirely substitute the practices of delivering the financial information with media on paper that nowadays is still commonly used by many companies (Lymer, 1999).

With the internet, companies could increase the availability of financial information and information that is related to the company for users. The border of the region is not to be an obstacle for delivering the financial information if using the internet. Information users can be quickly searched, filtered, downloaded, or the information users could be configured the financial information as their wants. This can be done in a relatively short time and at a relatively low cost. With the users' ability to configure the desired information, the company can also know what information might need by the users (Almilia and Budisusetyo, 2008). The practices about the using of the internet as a media to deliver the financial information in many kinds of literature are defined as Internet Financial Reporting (IFR).

As the growing of IFR practices that done by companies, especially the forward countries (Pervan and Sabljic, 2011), many research that is done by the researcher to

know how far the practices of IFR that practiced by one company and what factors that can affect the IFR practices. Based on the research that done by Lodhia et al. (2004), found that 50 best companies in Australia have already presented the financial information through the company's website with PDF format and factors that influenced public company in Australia presented the financial information through a company's website commonly is because the effort of companies to fulfill the available regulation. Meanwhile, the research that is done by Al Moghawi (2009) in Qatar showed that from 43 public companies in Qatar, 25 companies present their financial statement in the website entirely and that is presented in PDF format.

According to some IFR research before, commonly the research is done to investigate how far the companies are applying IFR, how the quality from IFR of the company, and what factors that influence the practices of IFR. Just a little research that has objective to research the IFR from the viewpoint of demand from the user of financial statement (Quagli and Riva, 2005). In fact, one decade before 2003, no IFR research questioned the IFR users about the interest of users about IFR and their habits because of the existence of IFR (Beattie and Pratt, 2003).

One of the research about IFR from the side of users is Khaldoun et al. (2001). In his study, Khaldoun is trying to investigate the perception and the easiness of using IFR that is perceived to four groups of financial statement users in Jordania: auditor, financial analyst, credit banker, and academic. The research from Khaldoun et al. (2001) is based on the technology acceptance model theory that developed by Davis (1989), where the theory has explained the usefulness and easiness of user that perceived by users toward a technology that will affect the objective of technology. Based on the research from Khaldoun, the researcher wants to take the topic about objective perception and the easiness of using IFR in Indonesia and developed by considering the characteristics of respondent as a factor that affects that perception. This research is interesting to do because in the year of 2012, Bapepam-LK (now is Otoritas Jasa Keuangan) as a regulator toward stock market is already regulated the new regulation which is Peraturan Bapepam Kep 431-BL-2012 X.K.6 article 3 that obligate all companies that listed in the Indonesian Stock Exchange to present the

financial statement on their website. With this regulation, the practices of IFR in Indonesia will be more recognized. Thus it is necessary to have IFR research that focuses on the objective and the easiness of IFR using.

The objective of the research is to know the perception of financial statement users to IFR from the objective sides and the using easiness, and what IFR format that will be liked by users of the financial statement. Besides that, the research is also searching what financial data that most likely search on the internet, the source of the financial statement that used by users, and quality of financial statement that presented in website or internet. The result of the research can be input to the regulator to create better practices standard regulation of IFR in Indonesia.

## **2. Theoretical Framework and Hypothesis Development**

### ***2.1 Financial Information***

A financial statement is a primary tool that used by companies to communicate the financial information to external parties. The financial statement commonly can be defined as a structured presentation from the financial position and financial performance that used by the company to communicate the financial information to external parties (Kieso, 2011). The primary objective of financial statement is to provide information that concern in financial position, financial performance, and changes in financial position of an entity that is useful for some users in making an economic decision. Besides, the financial statement can be used for responsibility's management tool for the resources entrusted to it. To achieve its main objectives, financial statement has to provide the information about entity that includes: (1) asset, (2) liability, (3) equity, (4) revenue and expense, including gain and loss, (5) contribution from and distribution to owner in capacity as an owner, and (6) cash flow (Ikatan Akuntan Indonesia, 2012).

To make financial information that presented by the accountant in financial statement useful, so the accountant has to choose what information that is needed by financial statement users (Godfrey et al., 2010). One of the measurements that can be used to measure what information that presented in the financial statement is useful for

users is qualitative characteristics. Financial information can be said useful if that information is easy to understand by the users, relevant, reliable, and comparable. However, this qualitative characteristic has boundaries like information that presented has material and objective that gained from the information is bigger than the cost that paid to get that information.

For making the financial statement that presented by the accountant has the same standard and the same regulation, then it is needed the same conceptual framework in the presentation of financial statement. Furthermore, a conceptual framework is built to become standard and regulation in the making of the financial statement and become guidance to solve accounting problems in the future. A conceptual framework has three levels. The first level is an explanation about the objectives of the financial statement, that is providing financial information that useful for financial information user as a basic in making a decision. The second level is about the identification of a qualitative characteristic of financial information and fundamental accounting element. And the last, third level is explained about regulation and recognition principle, measurement, and financial elements based on assumptions (Kieso, 2011).

## 2.2 *Efficient Market Hypothesis*

The good financial statement is a financial statement that has useful information to make a decision, one of them is a decision to decide the stock price or securities (Jones, 2009). Based on the theory of efficient market hypothesis, a market could be defined by efficient if the security's price is a reflection of information in the market (Fama, 1990). The theory is assumed if the investors tend to rational, there is no cost to obtain information on the market, information is neutral, and investors will respond the information in the market (Jones, 2009) quickly. With the assumption, information on the market will available freely for all market players and no parties in the market get the abnormal return (Ross et al., 2002).

Based on the efficient market hypothesis, efficient market divided into three types, and they are weak form, semi-strong form, and strong form. Weak form is market types where the security's price that is in the market is a reflection from

information in the past. The semistrong form is market types where the security's price that is in the market is a reflection from information in the past and new information that is presented publicly. Strong form is market types where the security's price that is in the market is a reflection from all information in the market. In reality, from all those market types, market types that may materialize is weak form and semistrong form (Jones, 2009).

### *2.3 Financial Information and Analysis Process*

There are some phases in the process of a financial statement using to analyze investigation in micro level; (1) phase of analysis performance of the company in the past. (2) the phase of doing prediction of value in the future, (3) phase of decision making, and the last (4) phase of implementation of decision (Gniwosz, 1990). To get the information for making a decision, Connolly (1977) divided into some categories, and there is information that obtained passively, information that obtained actively, and information that obtained from the information database. Information that obtained passively is information that needs no effort to obtain that information. Information that obtained actively is information that needs effort and designed to look for because to make a specific decision. Information that obtained from the database is information that obtained from taking that information in where the information is saved. Based on that three categories, information that influences toward decision making is information that obtained actively.

### *2.4 Internet Financial Reporting*

As long with the increasing needs of financial statement from users and distribution of unlimited users in a country, causing the financial statement that present in the paper is not enough to answer the increasing of information needs from users. It needs a new media that can be able to quickly deliver the financial statement and be able to engage all financial statement users in the world. One of the media that can be able to quickly deliver the financial information and be able to engage all financial statement users in the world is internet or website (Asbaugh et al., 1999).

The effort to deliver the financial statement information to financial users with internet or website is defined as Internet Financial Reporting/IFR (Lai et al., 2010).

The format that commonly used by companies to publish their financial information on the website is PDF, HTML, and XBRL. Besides, some companies completed their financial statement on the internet with audio or video format. However, this format is not much used by companies (Barac, 2004). Some factors influence companies to present their financial statement on the internet or not. The research from Machmudin et al. (2009) stated that companies tend to present their financial statement through the internet if the company's size is big, the company's stock that trade on several markets in some countries and the company that uses advanced technology in running the business. And the company tends to not publish the financial statement on the internet if the business risk is higher and if the blockholder total of the company is increasing much.

For Indonesia, a regulation that regulates about new IFR published by Bapepam-LK on 2012 through regulation of KEP-431/BL/2012. In the regulation of Bapepam-LK, company obligates to publish their financial statement in the company's website. Bapepam-LK is giving one year period for a company that has not published their financial statement on a company's website yet to publish their financial statement on the website immediately. And the output from the regulation of Bapepam-LK is all companies that listed in Indonesian Stock Exchange have to publish their financial statement in the website of companies in the early of 2013.

## 2.5 Perception

Perception is a process to recognize of object and object of the event with the help of five senses (Chaplin, 2001). While according to Robbins (1999), perception is a process where the individual is organized and interpret their impressions of the five senses to give the meaning in their surrounding. From these two definitions, perception generally defined as a process to recognize an object of the event with the five senses and then interpreted to become a value.

There are five characters from this perception. First, the perception has a relationship with previous information, and this information will make the market as a

basic assessment an object in the following days, Second, not all information from an object will be processed in mind but just interesting information that will be further processed. Third, if the information that obtained is not complete, the human mind will make opinions from the information received. Fourth, the intrinsic of perception is an assessment. Perception is seen as a cognitive process that shows the attitude of beliefs, values and human hope to interpret the object itself. Fifth, to have value, perception that made perception has to interpret in a particular context.

### *2.6 Technology Acceptance Model*

To analyze the perception of users of financial statements towards IFR, one of the theories that can be used is the Technology Acceptance Model/TAM (Debreceeny, 2007). Firstly TAM is recognized by Davis (1989). In this theory, Davis (1989) has introduced two postulates, and there are perceived usefulness and perceived ease of use. Perceived usefulness is a level where someone believes that using the particular system will increase their work performance. Perceived ease of use is a level where someone believes that using a specific system is does not need an effort. Considerably, TAM model that developed by Davos (1989) is explained that perception of the user towards a system or technology has a significant influence to the tendency and treatment of user by using of the technology system.

## **3. Research Method**

### *3.1. Sample and Data Sampling*

The target respondents of this research are financial statement users that have used and have take advantage of IFR in their work, by using convenience technique sampling. To obtain target respondents that the researcher wants, the researcher is giving direct questioners to financial statement users that take the lecture in Post Graduate of Accounting FE UI and course in Pusat Pengembangan Akuntansi (PPA) with the consideration of the participants of these programs are accountant practitioner and have used IFR in their work. Besides distributing directly to the target of



respondents above, the researcher also uses an online questionnaire to get respondents that mostly been a friend of the researcher.

The Questionnaire is distributed to 200 respondents, includes 78 questionnaires that distribute toward email and an online survey, then 122 surveys distributed directly through hardcopy media. From the 78 questionnaires that distribute toward email and online, there is one questionnaire that is not written entirely and 77 questionnaires written entirely. From the 122 surveys that distribute directly, 43 questionnaires are not written completely and 79 questionnaires that written completely. Thus, from 200 distribute surveys, there are 44 questionnaires (22%) that are not written completely and 156 surveys (78%) that is written completely and can be more developed.

Thus, a questionnaire is developed to question:

1. How is the perception of the users of a financial statement toward the benefit of IFR?
2. How is the perception of the users of a financial statement toward the easiness of IFR using?
3. What format of IFR should be more preferred by financial statement users in Indonesia?

The questionnaire is managed with the format as follows:

#### 1. Respondent Demography

The question is based on the research from CFA Institute (2008), Ghani et al. (2009), and Khaldoun et al. (2011). In this part, the question is asked to know the demography condition of the respondent, includes gender of respondent, the age of respondent, business sector of the respondent, job's position of the respondent, work experience of the respondent, education level of respondent and education background of the respondent. The question should be asked because the result from these questions will be used to analyze the cross-sectional with the answer from other questions in the B and C part because there is an assumption that demography condition of the respondent is influenced the respondent value

towards information quality and the perception assessment of respondent towards IFR.

## **2. The internet using and financial statement**

The question is based on the research from CFA Institute (2008), Ghani et al. (2009), and Khaldoon et al. (2011). In this part, the question is asked to know the frequency of internet using by respondent, frequency of internet using by respondent as media to search financial information, financial document in internet, parties that become source of financial information, familiarity level of financial statement user with IFR, what format should be more preferred by financial statement users and quality of financial information that obtained from company's website and external parties.

## **3. Perception of Internet Financial Reporting**

The question is based on the research from Khaldoon et al. (2011), In this part, the question is asked to know the benefit and easiness that obtained from IFR using in work. In this part, the respondent is asked to give the value of 11 questions of IFR benefits and 11 questions of the easiness of IFR using.

### **3.2. Statistical Test**

Statistical Test that used in this research is the Kruskal-Wallis Test and Mann-Whitney Test. This test is required to know if there is a difference of respondent assessment in assessing information quality of company's website and external parties website, then to know if there is a difference in the respondent assessment in the assessment of benefit and easiness of IFR using.

## **4. Results**

### **4.1. Respondent Demography Data**

From 156 questionnaires that are written completely, obtained 53,5% of male respondents and 46,5% of female respondents; 62% of respondents are 20-24 years old; 45% of respondents work in accounting, attestation, finance, and security; 77% respondents have work experience less than 5 years, 89% of respondents have last

education in bachelor degree, 81% of respondents have accounting education background and 74% respondents have admitted often and very often use internet to search financial information. From the result, it can be concluded that most of the respondents in this research include in the young age that commonly know the internet, work in an environment that relates to accounting and finance, have the accounting expertise and often use the internet to look financial information. Respondents in this research have qualified the condition to do the research where the respondent target in this research is financial statement users that are understood with the internet using to look financial information.

#### *4.2. Internet Using and Financial Statement*

##### *4.2.1. The frequency of Internet Using to Search Financial Document*

From 156 respondents, found that financial documents that often to search by respondents on the internet are a financial statement, Meanwhile for financial documents like prospectus and quarterly reports and other financial documents are relatively seldom to look for by financial statement users in Indonesia.

##### *4.3. The frequency of Internet Using to Search Financial Statement*

A statement that often to search from the internet is financial position statement and income statement. For the notes of the financial statement, respondents are relatively often to search on the internet. For the equity changes and cash flow, respondents are not often to search on the internet. For the key of financial highlight, respondents admitted searching on the internet occasionally. For discussion and analysis of management, respondents are seldom to search on the internet. For another financial statement, almost all respondents are not using the internet to search for this financial statement.

##### *4.3.1. Source of Financial Statement Data*

From the 156 respondents, 38 respondents are using the company's website to obtain the financial information, 17% of respondents are using the external parties website to get the financial information and 45% respondents are using both of

company's website and external parties website to obtain the financial information. From this, it is known that almost all respondents are using the company's website and external parties website to their information source. This is showed that respondents are not enough if depends on the one source of financial information. This is common because when the information is not enough to fulfill the needs of the financial statement user, the user will look another publication of financial information outside the company's website.

If the group of respondents who use the external parties website to search financial information added by the group of respondents who use the company's website and the external parties website to search financial information, it will get the 97 respondents to use the external parties website to search financial information. From the 97 respondents, found that 62% of respondents use the website to obtain financial information. This is showing that financial statement users are more choosing Website Indonesia Stock Exchange (IDX) than another external parties website that also provides financial information. This is common because IDX website has complete information for financial statement users. In IDX website, besides providing financial information of the company that listed in exchange, this website also provides information of non-financial such as regulation in the stock market, news and other information of non-financial regarding companies that listed in the exchange. Look at table 1.

Table 1  
Information Quality of Company’s Website and External Parties Website  
4.3. Information Quality of Company’s Website

Financial Information Quality of Company’s Website				
Accurate	Relevant	In-time	Easy to Process	Efficient
3.99	3.92	3.44	3.38	3.66

Respondents generally have the perception that the financial information presented on the company’s website has high accuracy and relevance, but the

information that is presented is difficult to do more research. From the result of Kruskal-Wallis test and the result of Mann-Whitney test, known that there are differences in the assessment of information accuracy, information relevance, the at time of providing information for respondents that categorized into work experience and frequency of internet use to search financial information. This showed that not all respondents that categorized into work experience assess information that is presented in the company's website is relevant and not all respondents that categorized into the frequency of internet using to search information assess the information that is presented in the company's website is accurate, relevant and on-time.

However, all respondents are agreed if the financial statement that presented in the website is efficient enough or information that present is easy to obtain, but this information is difficult to research. The information is easy to obtain from users because Bapepam-LK as the stock market regulator has decided the regulation of Bapepam Kep 431-BL-2012 X.K.6 article 3 years 2012 that obligate all companies that listed in Indonesian Stock Exchange for providing the financial statement in company's website. While the information that provided in a company's website tend difficult to use because IFR format that already present in company's website, generally is in PDF format, where in use the financial information in PDF format, the users have to manually input the data to other formats that users want (Blondell, 2006). Look at table 2.

Table 2  
Quality of Information in the External Website

Financial Information Quality of External Website				
Accurate	Relevant	In-time	Easy to process	Efficient
3.87	3.79	3.38	3.61	3.71

From the Kruskal-Wallis test and Mann-Whitney test, found that there is a difference in the assessment of the easiness of processing financial information for the respondents that categorized based on the frequency of internet using to search financial information. This is shown that not all of the respondents are categorized

based on the frequency of internet using to search financial information to assess information that is presented in the company's website is easy.

However, all of the respondents are agreed that information that is presented in the external parties website are accurate, quite relevant, quite efficient or easy to get, but the accuracy in the time of publication of financial information on the internet is not really good. And if the assessment of the quality of the information that provided by external party website compares to the quality of the information that provided by the company's website, it can be seen that information provided by the external website is more efficient or more easy to get rather than the information that is provided by the company's website. This is might because of the average of respondents that search the information on the website of external party generally accessed Indonesian Stock Exchange (IDX) website for an information source, where IDX is a facilitatory effect of trade in Indonesia that will try to maximize for providing the complete information in their website.

#### *4.4. Familiarity and Format Preference of IFR*

##### *4.4.1. Format Familiarity with IFR*

From the 156 respondents, 72% of respondents are very familiar with the PDF format, followed by 17% of HTML and XBRL of 1%. From this result, it can be concluded that financial statement users in Indonesia are very familiar with PDF format. This is not surprising because PDF format has been used more frequently rather than HTML format and XBRL (Baldwin et al.,2006). Besides, companies tend to like the PDF format for communicating financial statement on the internet because the PDF format is similar to the financial statement in the conventional type which is hard copy (Dull et al.,2003). The reason why XBRL is not known is that the format is new and is not recognized by financial statement users (Baldwin et al.,2006). Besides that, from the regulation sides, there is no regulation that obligate companies or external party to present the financial information in the XBRL format.

#### 4.4.2. Format Preference of IFR

74% of respondents said that they are like PDF format, 69% respondents said that they are in between of like and dislike with HTML format and 96% of respondents said that they dislike XBRL format. From the result it can be concluded that respondents are more like PDF format compares to HTML and XBRL format. And if the result format preference of IFR is comparing with the familiarity of IFR format, then there is a positive relationship between familiar format by respondents with a format that most liked by respondents. The more respondents are familiar with its format, and respondents tend to like the format. Look at table 3.

Table 3  
Perception of Internet Financial Reporting  
Perception of Internet Financial Reporting Benefits

Benefit Statement	Average Score
1. IFR enables me to access information for decision making quickly	4.17
2. IFR enables me to make a decision that based on the information	4.07
3. Format and structure IFR enable me to gather more information for decision making	3.89
4. IFR has relevant information for decision making	3.88
5. The format of IFR presentation enables me to gather information for decision making	3.78
6. I have not relied on other sources of information because I can rely on IFR for decision making	2.97
7. IFR has quite enough information for decision making	3.39
8. I am sure with the information from IFR that I use to make a decision	3.49
9. IFR provides information that is ready to the user wherever I am	3.71
10. Using the facility of IFR makes me more efficient	3.88
11. IFR generally is a source of information that is useful for decision making	3.76

From the Kruskal-Wallis test found that there is no difference of assessment for a statement of IFR benefits number 5, 6, 7, 8 and 10. The result of the research is found that respondents still need other sources of information besides IFR, information that provided by IFR according to respondents is still not enough for decision making and respondents still not sure with the information of IFR for

decision making. Besides, it is known that the respondents are sure that the IFR has made their work more efficient and IFR presentation has allowed them to gather enough of information even though the information in the IFR is still not enough for decision making. As for the reason why the information contained in the IFR is still not enough because the commonly IFR format in Indonesia is PDF, which the PDF format has weaknesses in the updating its information because. In addition to being able to update the data in PDF format, the company has to upload one by one data in the PDF format to the website.

However, from the Kruskal-Wallis test and Mann-Whitney test, found that there is a difference in the assessment of benefit statement number 3 and 9 for respondent groups that are categorized based on background education, then there is statement of assessment benefit number 1, 2, 4 and 11 for respondent groups that are categorized based on frequency internet using to search financial information. This is stated that respondents are categorized based on education background has a different perception about benefit statement of "format and structure of IFR enables me to gather more information for decision making" and "IFR provides information that is ready to use it wherever I am" and respondents that are categorized based on frequency of internet using to search financial information has different perception about benefit statement of "IFR enables me to make a decision that based on the information", "IFR enables me to make to access information quickly for decision making, "IFR has relevant information for decision making" and "IFR entirely is an information source for decision making". Look at table 4.

From the Kruskal-Wallis test found that there is no difference of assessment to easiness statement of IFR using number 5, 6, 7, 8 and 9. The research found that all respondents are agreed that structure and position and format that used in IFR is quite easy for them in the accessing information, navigation tools of IFR is quite easy to rely on, the access speed of information through IFR is quite satisfied and the access cost that is quite normal it just because the internet speed in Indonesia nowadays is faster and the cost of internet using is quite affordable.



Table 4  
Easiness Perception of Internet Financial Reporting

Ease of Use Perception	Average Score
1. IFR is easily accessed and used for decision making.	4.04
2. Links to information provided in IFR is very easy to be used.	3.85
3. Becoming an expert with IFR is easy.	3.29
4. It is easy to trace, find and read information with IFR.	3.81
5. The structure and format of IFR are very easy to use.	3.63
6. IFR navigation tools are available and easy to use.	3.50
7. The IFR access speed is satisfying.	3.58
8. Internet and printing fees of IFR facilities is fair.	3.88
9. Identifying both audited and non-audited information provided in IFR is easy.	3.74
10. The entire IFR design is at the acceptable level.	3.72
11. It is more pleasant to read financial reports on the internet than in the paper-based format.	3.53

However, the result from Kruskal-Wallis test and Mann-Whitney test, found the difference of statement assessment in the easiness of IFR using number 1 for respondent groups that are categorized based on work experience; the easiness statement of using IFR number 3 and 10 for group respondents that are categorized based on education level; the easiness statement of IFR using number 1, 2 and 4. This is showed that respondents that are categorized in the work experience have different perception about the easiness statement of IFR using “IFR is easy to access and use for decision making”; respondents that are categorized based on education level have different perception about the easiness of using IFR “Easy to become an expert with using IFR” and “Design all IFR in the level that can be accepted”. Respondents that are categorized based on education background have different perception about the easiness statement of using IFR "More enjoyable in reading the financial statement that presented through the internet rather than the financial statement in the paper

format”; and respondents that are categorized based on frequency of internet using to search financial information that have different perception about the statement of IFR using “IFR is easy to access and use for decision making”, “Easy to become an expert with using IFR” and “Easy to track, find and read the information through IFR”.

## **5. Conclusion, Implication, and Limitation**

The objective of the research is to know how is the benefit of perception and the easiness of using that is perceived by financial statement users toward the practice of Internet Financial Reporting (IFR). Through this research, it can be concluded that the financial statement users in Indonesia have perception that is less good to the objective of IFR, which the financial statement users in Indonesia still need another source of information besides IFR, information that is provided in the IFR is still not enough for decision making, and financial statement users have not relied on the information in the IFR for decision making. The result of the research is similar with the result from Khaldoon et al. (2011), which the financial statement users in Jordania also did not sure with the IFR using as the only information source for decision making and still relied on the financial statement in the hard copy format. However, despite the financial statement users are not fully sure with the information in the IFR for decision making, financial statement users in Indonesia assist that format in the IFR has them considerably for collecting enough information although the information is still not enough if it used for decision making. And financial statement users in Indonesia also assessed the existence of IFR that has made them more efficient.

Another finding from this research is the easiness of IFR using is quite good by financial statement users’ assessment. Structure of the position and format of IFR enables financial statement users to access information, the existence of navigation tools in the HTML format allows financial statement users to track the information, the access speed of information and the cost of information access through internet also quite normal and financial statement users can easily identify which the financial information is being audited and which is not being audited. The result is different with the result of the research done by Khaldoon et al. (2011), which in Jordania the

cost of internet access is quite expensive. The structure of position and IFR format is easy to use because generally IFR format that has been used in Indonesia is PDF, where the format has type or structure that is quite the same as the financial statement in hard copy then the financial statement users do not need a long time for adjusting in order to understand the information in the IFR.

This research found that financial statement users that have an educational background in information technology tend to perceive the structure and IFR format with the better assessment, which they feel that the structure and IFR format currently has made them able to collect more information. Besides, financial statement users that have an educational background in information technology also stated that they can use the IFR wherever they are. And for the financial statement users that have an educational background in accounting, finance, and others give the assessment not as good as the assessment of financial statement users that have an educational background in information technology regarding IFR format and the easiness of accessing this information.

Financial statement users also often to use the internet to search financial information that also perceived the IFR as a right method to access information quickly, able to make decisions based on information, have relevant information and as an information source for decision making. While for the financial statement users that is seldom, occasional, and often to use the internet to search financial information tend to give a value which is not well as the assessment from the financial statement users that is often to use the internet to look financial information.

For the easiness of IFR using, there are some differences of perception between the financial statement users that are categorized based on the work experience, educational level, education background, and frequency of internet use to look financial information. Financial statement users that have work experience for 5-10 years stated that IFR is easy to access, while the other is not stated like that. Financial statement users that have an educational level of diploma and profession stated that the existence of IFR enables them to become an expert, while financial statement users that have an educational level of bachelor, master, and Ph.D. are not stating like that.

Financial statement users with the educational background of economics stated that they are more like reading the financial statement that presented on the internet rather than a financial statement in the hard copy format, while financial statement users with the accounting, information technology, finance, and the other background are not stating like that. Through this research, also found that the most preferred format of financial statement users is PDF format. And IFR format that is most known in the users is PDF. Besides, also found the positive correlation between familiarity IFR format with the preference of IFR format.

Another conclusion that obtains from the research is the quality of financial information that presented in the company's website still has weaknesses. The weaknesses are in the process. While for the accuration of information, information relevance and the accuracy of time in providing information is good, but the financial statement users that are categorized based on work experience and frequency of internet use to search financial information have a difference of assessment in the quality of information. For the quality of information that is presented on an external website also has weaknesses. The weakness located in the accuracy of time in providing information. While for the accuracy of information, information relevance and the information processing is good, but financial statement users that are categorized based on the frequency of internet using to search financial information have differences of assessment about the quality of information. Besides, also found that it is more comfortable to obtain financial information on the website of external parties than on the company's website.

The research also found that the documents are often searched on the internet by the users is an annual report, while of the financial statement that is often to search is a statement of financial position and an income statement. For the source of financial information, financial statement users relied on the company's website and website of an external party. Website of the external party that is often to use to search financial information in Indonesia Stock Exchange (IDX) website.

The limitation of this research is the average of respondents that used are in the age of 20-24 years old, which the respondents in this age still not have enough

experience in accounting. The sample with more experienced respondents might have a different perception. Besides that, respondents that used in this research did not represent all financial users in Indonesia because respondents that used in this research are limit and just for the student of Maksi-PPAk FEUI, course participants of PPA FEUI and student from FE UI that already graduate for the easiness of data collecting.

Further research can be done to know what factors that influence IFR in Indonesia that have bad quality of information, not useful and not easy to use. This research is required because of the result of the research complete the result of the research. Besides, it has to do the further research about the benefit of perception and the easiness of format that used in IFR for presenting IFR because this research does not explain what formats in IFR that is the most useful and the most usable.

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